PROVINCE OF SASKATCHEWAN

07-08

ANNUAL REPORT

MINISTRY OF
MUNICIPAL AFFAIRS

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This annual report is also available in electronic format from the ministry's web site at **www.municipal.gov.sk.ca**.

Letters of Transmittal

The Honourable Dr. Gordon L. Barnhart
Lieutenant Governor of Saskatchewan

Your Honour:

It is our privilege to submit to you the Annual Report of the Saskatchewan Ministry of Municipal Affairs for the fiscal year ending March 31, 2008.

We are committed to accountability and to ensuring that we deliver on promises made to Saskatchewan people in 2007-08 in the election platform, the Speech from the Throne and in the Minister's Mandate letter.

Our government is working hard to build on its values of growth, security and promises. We are investing in Saskatchewan in a way that ensures the momentum translates into long-term, sustained economic prosperity, and to make certain that the benefits of the growing economy are felt by everyone who calls Saskatchewan home.

Respectfully submitted,

Bill Hutchinson
Minister of Municipal Affairs

The Honourable Bill Hutchinson
Minister of Municipal Affairs

Dear Minister:

It is my honour to submit the Annual Report of the Saskatchewan Ministry of Municipal Affairs for the fiscal year ending March 31, 2008.

This report reflects a year of transition from what was the Department of Government Relations and focuses on the newly created, stand-alone, Ministry of Municipal Affairs.

The new strategic direction since the election in November 2007 has prompted our government to review the planning and reporting processes for all ministries to ensure we deliver on our commitments and are accountable to the people of Saskatchewan.

This report provides information about the progress Municipal Affairs has made on those commitments as to March 31, 2008. We look forward to furthering our commitment to improved accountability as 2008-09 progresses.

Respectfully submitted,

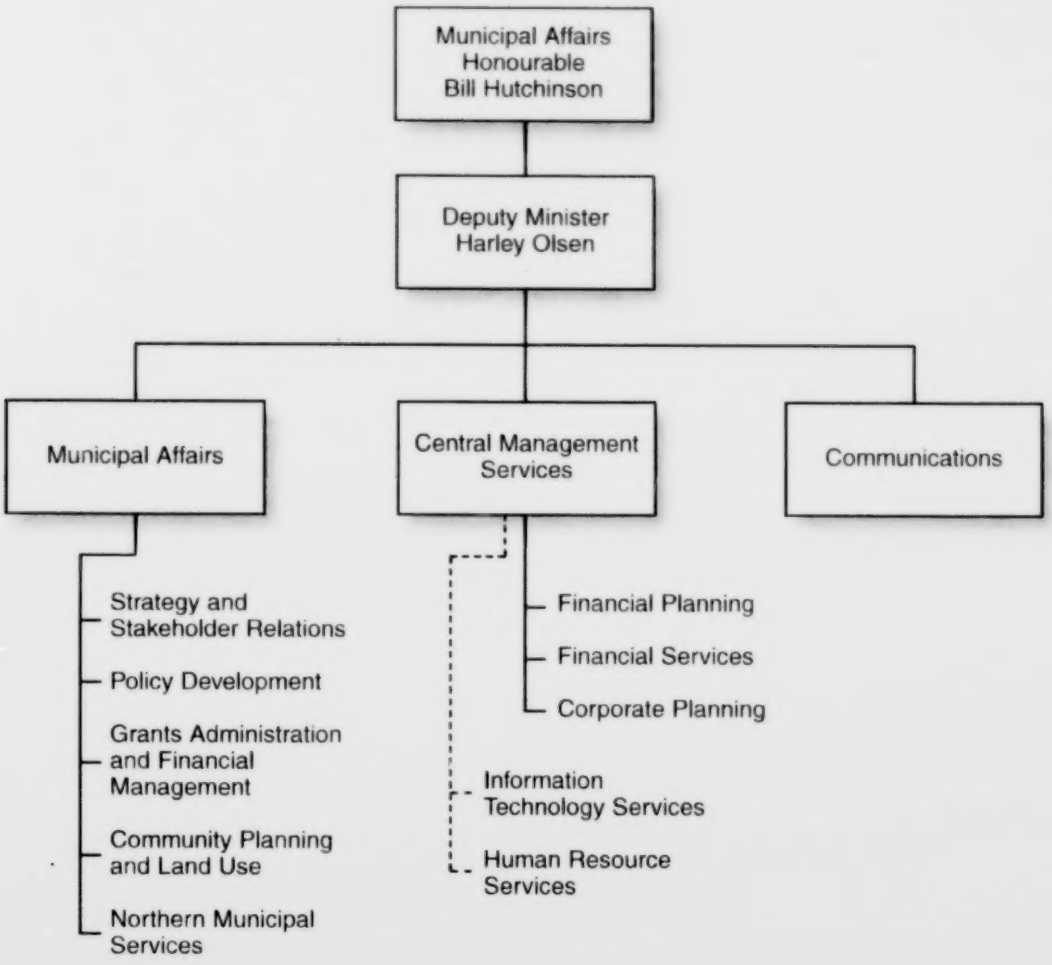
Harley Olsen
Deputy Minister, Ministry of Municipal Affairs

Introduction

Since the election of a new government in November 2007, reorganization has specifically affected the Ministry of Municipal Affairs. This report was prepared during a time of transition to reflect the new government's agenda. It reports the key public commitments made during 2007-08 with a greater focus on commitments made by the new government since November 2007.

Progress is reported on key commitments aligned with the ministry's organizational structure as of March 31, 2008. This includes key actions and performance measures published in 2007-08, but it also includes the new government's commitments since November. This includes the Minister's Mandate letter, the December 2007 Throne Speech, and other key public commitments. Progress is reported on all of these key commitments and actions as of March 31, 2008.

Organizational Chart as at March 31, 2008



Please Note: Municipal Affairs obtains financial, administrative, communications, HR and IT services through shared services arrangements with a number of ministries.

Ministry Overview

Previously, responsibility for Municipal Affairs fell under the Department of Government Relations, along with Intergovernmental Affairs and the Office of the Provincial Secretary. In November 2007, as a result of government-wide restructuring, the stand-alone Ministry of Municipal Affairs was created. As part of this restructuring, the Canada Saskatchewan Infrastructure Program (CSIP) and the Canada Strategic Infrastructure Fund (CSIF) were transferred to Highways and Infrastructure.

The ministry works with the municipal sector to develop programs, services, legislation, regulations and policies that build good local government and define and protect public interests in Saskatchewan's system of local government. The ministry is also responsible for municipal administration and operations in the Northern Saskatchewan Administration District.

Key partners include municipal councils, associations, administrators, community planners and property assessment appraisers. The ministry works closely with other provincial ministries and in consultation with the provinces, territories and federal government.

Performance results are reliant on the municipal sector's compliance with provincial legislation, program funding requirements, and accountability to the public and the provincial government. Municipalities are accountable for their use of program funds from the province and from programs established by federal-provincial agreements administered by the province. They are accountable to the public and the government for complying with provincial legislation and accountable to the public for good local governance. The legislation balances local autonomy with accountability. The municipal audited financial statements achieve accountability by showing the public and the government how municipal funds were spent. The public also has access to property tax assessment data.

The Ministry of Municipal Affairs plays a key role in the cross-government Safe Drinking Water Strategy. Additional information regarding this strategy can be found at **www.environment.gov.sk.ca**.

The three new ministries created out of Government Relations (including Municipal Affairs) share financial, communication and administrative services.

Mandate

The Ministry of Municipal Affairs helps ensure effective local government and sustainable municipal infrastructure and services. It provides the legislative framework for cities, urban, rural, and northern municipalities, as well as some technical and policy support municipalities need. The ministry works closely with municipalities, their representative organizations, and other provincial ministries to foster fair and effective regulatory and revenue sharing regimes. In addition, it provides funding for the Saskatchewan Municipal Board to fulfill its mandate to provide regulatory and quasi-judicial services to local authorities (school divisions and municipal governments) and the general public.

Key Programs and Services

The Ministry of Municipal Affairs is comprised of the:

- Strategy and Stakeholder Relations Branch
- Policy Development Branch
- Grants Administration and Financial Management Branch
- Community Planning Branch
- Northern Municipal Services Branch

The ministry assists 13 cities and 460 other municipalities, 296 rural municipalities and 24 northern municipalities in fulfilling their obligations to their residents. This support is provided through six lines of business:

- Financial programs
- Governance
- Human capacity
- Regulatory
- Relationship management
- Policy

The ministry had 131 full-time equivalents in 2007-08 with offices in Regina, Saskatoon, La Ronge and Buffalo Narrows.

Minister's Mandate

In November 2007, the new Minister of Municipal Affairs was given a mandate to make progress over four years by delivering the government's plan for *Securing the Future* and implementing commitments to:

- Create the Saskatchewan Infrastructure Growth Initiative to assist municipalities in developing the infrastructure needed to meet the demand for new housing, commercial and industrial lot development.

- Deliver on our government's commitment to increase funding for municipal revenue sharing over the next two years, while negotiating a new revenue sharing deal with municipalities that will include a percentage of the provincial government's own source revenue.

The excerpt from this letter that pertains to Municipal Affairs can be found at **www.gov.sk.ca/cabinet/hutchinson**.

Progress in 2007-08

The key actions presented in our 2007-08 Performance Plan are provided below, organized by key program and followed by a report on progress. Measurement results are included for key actions and performance measures published in the 2007-08 plan, and for commitments related to the Ministry of Municipal Affairs from the Minister's Mandate letter, the December 2007 Throne Speech, and other key commitments during 2007-08 where progress was achieved.

A New Government Direction – Growth, Security and Promises

This report provides results since the election of the new government in November of 2007, related to the new government's strategic priorities: growth, security, and promises as presented in the Minister's Mandate letter, the December 2007 Speech from the Throne, and other government commitments.

Minister's Mandate Letter, Commitments and Results

"Create the Saskatchewan Infrastructure Growth Initiative to assist municipalities in developing the infrastructure needed to meet the demand for new housing, commercial and industrial lot development."

- With a commitment to foster growth in the province, this new program will be implemented early in 2008. As of March 31, 2008, it will provide an interest subsidy for loans approved for 2008-09 in the amount of $75 million, with interest subsidy grants for five years on $300 million of municipal loans.

"Deliver on our government's commitment to increase funding for municipal revenue sharing over the next two years, while negotiating a new revenue sharing deal with municipalities that will include a percentage of the provincial government's own source revenue."

- Municipal Affairs initiated work on this commitment in co-operation with municipal sector representatives and officials from the Ministry of Finance. Key components include identifying an appropriate overall level of funding for the program, determining the percentage of specific own source revenue streams that amount represents, and agreeing about accountability, allocation and distribution strategies for the funding. This work should culminate in a new revenue sharing program for implementation in 2009-10.

- Fulfilling the promise made to increase Revenue Sharing, was increased by 15 per cent over 2007-08 to a total of $140.556 million.

Speech from the Throne, December 2007

Please Note: The specific commitments identified in the Minister's Mandate letter are also addressed in the December 2007 Throne Speech. The results of the aforementioned commitments demonstrate government's promise to support municipalities. Further information regarding the commitments of **"new revenue sharing agreement with municipalities"** and **"increased revenue sharing to provide immediate assistance to municipalities"** are found on page 4 of the *Speech from the Throne 2007,* located at: **www.gov.sk.ca/executive-council/throne-speech/.**

Progress by Key Program

The following section provides updates on actions and performance measures from the 2007-08 Performance Plan for the former Department of Government Relations as they relate to the Ministry of Municipal Affairs. These are organized by the ministry's key programs: Strategy and Stakeholder Relations; Policy Development; Grants Administration and Financial Management; Community Planning and Land Use; and Northern Municipal Services.

Strategy and Stakeholder Relations

The Strategy and Stakeholder Relations (SSR) Branch facilitates preparation and implementation of the Municipal Sector Strategic Plan (MSSP); fosters provincial-municipal relationships to plan, sets priorities, and develops processes to address municipal resource and capacity challenges; and develops intergovernmental and strategic approaches that support local service delivery.

The branch is comprised of:

- MSSP implementation
- Provincial-municipal relations
- Municipal Advisory Services (including maintenance of Internet content and on-line services for the municipal sector)

Develop a Municipal Sector Strategic Plan (MSSP) in 2007-08 that includes a long-term predictable and sustainable approach for provincial unconditional operational funding to be recommended for the 2008-09 budget.

- The ministry and municipal sector, in conjunction with other ministries, are developing the MSSP. Major theme areas will be identified to address municipal issues and priorities for action.
- Through the MSSP development process, the province and municipal sector have agreed to develop a joint work plan to focus on:
  - a planned approach to infrastructure investment;
  - a policy-based approach to Revenue Sharing that leads municipalities to development of a revenue stream tied to provincial revenues;
  - an approach that will increase inter-jurisdictional planning and co-ordination of service delivery (water, fire, emergency, waste, energy, building inspections, etc.);
  - a foundation that will increase inter-jurisdictional economic and land use planning (transportation, land development, infrastructure, etc.); and
  - a strong administrative level working relationship between municipalities and the provincial government to complement the political forums.
- These themes are being used to develop key actions for a joint multi-year work plan where revenue sharing, infrastructure funding and planning take the highest priority in helping to support and grow the province.

Review the distribution formula for Revenue Sharing for towns, villages and northern municipalities to ensure a more equitable distribution amongst municipalities.

- A new formula was implemented for the distribution of Revenue Sharing to towns and villages. The formula implemented in 2007-08 will be used to distribute the 2008-09 Revenue Sharing pool amongst the towns and villages. For northern municipalities, an interim formula was implemented pending a consultant's review of the program. As promised, a consultant was engaged to review the distribution formula in northern municipalities, and is expected to finish the review by early summer 2008. The distribution formulas for all municipalities will be reviewed as part of the negotiations to develop a new Revenue Sharing arrangement between the province and municipal sector as part of the 2009-10 provincial budget.

Work with other ministries and agencies to strengthen municipal capacity.

- The ministry worked in partnership with five other ministries and five stakeholder associations to develop and deliver 25 workshops. Topics included legislative changes, local improvement processes, bylaw preparation, year-end preparation and audit processes, and privacy legislation for local authorities. Attendees reported a 99 per cent satisfaction rate with the workshops.

- The ministry worked with Saskatchewan Justice to create an on-line access and privacy training course for Saskatchewan government employees and municipal employees and officials.

Implement the new Saskatchewan Municipal Awards program by working in partnership with municipal associations, sponsoring an award and providing in-kind and staff resources.

- The ministry successfully wrapped up the inaugural year of the Awards program with an awards ceremony in May of 2007 with over 110 delegates in attendance. The ministry sponsored the Municipal Service Excellence Award.

- The second year of the program was launched. Thirty-one nominations from municipalities were received in the program's second year.

- Ministry staff continues to co-ordinate the administrative and management functions of the program in partnership with municipal associations to commend the contributions that build strong communities and help grow our province.

Track municipal best practices and make the information publicly available on the Internet.

- The system is presently used for internal purposes, but there are plans to post results to the ministry's web site.

Establish a process for tracking the outcomes of municipal election results and make the information publicly available on the Internet.

- A computer system was implemented in September of 2007 to track municipal election results. A summary of the 2006 municipal election results was provided to senior management for review and direction. Information will be posted to the ministry's web site.

Policy Development

The Policy Development Branch provides leadership and advice in the development, monitoring and review of public policy, legislation, strategies and programs. Policy Development also co-ordinates or undertakes policy and program review, research, analysis and the development of policy proposals for government. The branch recommends and prepares legislation and regulations that provide the legal framework for municipalities; it also provides comprehensive legislative support services for the ministry.

Amend *The Municipalities Act* and *The Cities Act* to modernize provisions on liability and nuisance claims, *The Municipal Revenue Sharing Act* to implement new funding under Revenue Sharing, *The Assessment Management Agency Act* to establish Saskatchewan Assessment and Management Agency (SAMA) budget plan requirements and funding shares amongst the Province, municipalities and school divisions, and miscellaneous legislation on municipal collection and remittance of education property tax to school divisions.

- As promised, amendments were made to *The Municipalities Act* and *The Cities Act* to modernize provisions on liability and nuisance claims among others.

- Regulations relating to tax discounts and penalties were put into place under these amendments.

- Regulations were put into place to establish provincial SAMA.

- *The Municipal Revenue Sharing Act* was amended to implement increased Revenue Sharing funding of $30 million to municipalities, provided in the 2007-08 budget.

Implement a new property tax shift model by October 2007 to assist government decisions on the upcoming 2009 revaluation and subsequent revaluations. The new model will also provide municipalities with a tool to help them better understand the impact on property taxes when examining voluntary municipal restructuring.

- The revaluation portion of the property tax model was largely completed by the end of the fiscal year with final testing completed in April 2008. The model will be used to help government decide on percentages of value and property classes for the 2009 revaluation. The component of the model that will enable local tax tools to be computer modeled is in the development stage and will be completed in 2008-09.

Develop a comprehensive municipal information database and indicators that integrate ministry and government municipal data with GIS capabilities, to better inform municipal, ministry and government decision-making.

- A Municipal Information Database (MID) plan is being developed for municipal growth profiles and comprehensive municipal profiles, to provide better access to information within Municipal Affairs, and develop centralized municipal information across government. As part of the MID, changes were made to the Municipal Financial Information System to facilitate the calculation of key indicators from the information and map the information. The first set of 25 maps is complete and available on the ministry's web site.

Phase in a long-term, sustainable financial plan for Saskatchewan Assessment Management Agency (SAMA) in which the targeted provincial, municipal, and school division funding shares will be 40 per cent, 30 per cent and 30 per cent, respectively.

- The proposed funding plan was implemented and the funds to be distributed in 2007-08 were provided to SAMA. This amounted to $8.6 million in funding ($5.3 million from Municipal Affairs and $3.3 million from Education).

Work with the municipal sector to design and begin development of a proposal for a Municipal Asset Information System (MAIS) to provide key information on municipal infrastructure risks, needs and pressures that will be used to develop a provincial long-term predictable approach to funding municipal infrastructure.

- A MAIS committee guided this initiative and established MAIS objectives. A request for a proposal for a MAIS feasibility study was issued and proposals are under review. Priority assets for the MAIS and the MAIS information to be collected were identified. The MAIS committee's decisions ensured co-ordination between MAIS and Public Sector Accounting Board (PSAB) asset reporting requirements, such that both are using the same asset inventories, reporting thresholds and reporting categories.

Grants Administration and Financial Management

This branch is comprised of three units and delivers the following:

- Provincial and federal-provincial financial assistance programs
- Municipal financial information and reporting
- Federal (New Deal) Gas Tax Program

Engage the federal government in discussions on Saskatchewan priority short and long-term municipal infrastructure pressures and needs.

- The Ministry of Intergovernmental Affairs continues to negotiate with the federal government for a Framework Agreement to address the $411 million in "guaranteed" federal funding under the Building Canada Plan. It is anticipated this Agreement will be signed early in the 2008-09 fiscal year.

- Municipal Affairs will commence negotiations with the federal government on a bilateral agreement for the Communities Component once the Framework Agreement is finalized. The Communities Component Agreement will ensure that short and long-term municipal infrastructure pressures are addressed effectively and efficiently.

- The ministry has taken steps to consult the municipal sector on the development of a Municipal Asset Information System (MAIS), which will aid in establishing priority setting for municipal infrastructure investment.

- The joint ministry-municipal MAIS committee agreed on MAIS objectives and co-ordinated MAIS reporting requirements with PSAB. Priority assets for MAIS and MAIS information to be collected have been identified. A request for a proposal for a feasibility study for software solutions for MAIS was issued.

Work with municipalities to implement the Public Sector Accounting Board (PSAB) financial reporting requirements on capital assets.

- From October 15 - 23, 2007, presentations about reporting tangible capital assets were held at Wilkie, Wakaw, Preeceville, Gull Lake, Caronport, and Kipling. Four hundred and thirty-eight municipalities attended. After the presentations, municipalities unable to attend were contacted by the ministry and provided with an informational package.

- On January 17, 2008, a presentation was given to 12 city representatives.

- The following tools were developed for municipal use and are on the ministry web site:

  - sample asset register;

  - sample capital asset accounting policy;

  - list of asset categories;

  - recommended capital asset thresholds, useful lives, and amortization; and

  - sample council presentation material.

Provide new provincial Revenue Sharing funding of $30 million, for total Revenue Sharing of $127.3 million, to support sustainable municipal services.

- As of March 31, 2008, to fulfill the province's commitment, the following was paid out under unconditional Revenue Sharing:

  - $40.7 million to rural municipalities;

  - $67.4 million to urban municipalities; and

  - $9.6 million to northern municipalities.

- In addition, conditional Rural Revenue Sharing programs provided a total of $9.0 million for the maintenance of rural municipal primary weight corridors, traffic counting in rural municipalities, bridge construction, heavy haul and high volume road construction, and environmental liabilities under the Communities in Transition Program.

- This level of funding met the commitment to provide an additional $30 million to Revenue Sharing in the 2007-08 fiscal year.

Provide $33.1 million in provincial infrastructure funding to match federal funding under the Municipal Rural Infrastructure Fund (MRIF), the Canada Saskatchewan Infrastructure Program (CSIP), the Canada Strategic Infrastructure Fund (CSIF), and Urban Development Agreements to support priority sustainable municipal infrastructure projects and economic development.

- As of March 31, 2008, $4.7 million was paid to 20 municipalities under the CSIP for 19 water and sewer projects, one local road project and one solid waste project; $25.3 million to 119 municipalities under MRIF for 72 water and sewer projects, 55 local roads, three recreation projects, two solid waste projects, one energy efficiency and one capacity building project; and $528,000 under the Urban Development Agreements for approved projects in Regina and Saskatoon.

- Under CSIF, $4.8 million was paid to Saskatoon for the completion of its South Downtown Redevelopment Project. An additional $1.8 million was paid to the Rural Municipality (RM) of North Qu'Appelle to address lagoon capacity limitations, sunk costs associated with the decision to cease construction of the new lagoon site, interim sewage disposal costs, decommissioning of the existing sewage lagoon, and selection of an alternate sewage lagoon site or other waste management option.

- As a result of the government reorganization after the election in November of 2007, responsibility for CSIP and CSIF was transferred to the Ministry of Highways and Infrastructure.

Provide provincial infrastructure funding under Rural Revenue Sharing to support sustainable rural municipal infrastructure and economic development, including:

- **$5 million to upgrade and maintain roads and bridges that are a part of the municipal primary weight road corridor system;**
- **$5 million for municipal bridges, heavy haul and high volume roads; and**
- **$700,000 to address infrastructure and environmental liabilities in small urban communities dissolving into rural municipalities.**

- As of March 31, 2008, $4.2 million was paid to 128 rural municipalities, 22 towns, six villages and one Indian Band for the maintenance of rural municipal primary weight corridors and associated sign installation.

- In the 2007-08 fiscal year, $104,000 was paid to undertake traffic counting in rural municipalities, $4.7 million was paid to 37 rural municipalities for bridges and heavy haul and high volume roads, and $29,000 was paid to one municipality under the Communities in Transition Program.

- The Communities in Transition Management Committee undertook a review of the program on March 31, 2008, to improve the program for the 2008-09 fiscal year.

Provide federal flow-through funding to municipal green projects:

- **$32.4 million under the federal Gas Tax Program; and**
- **$510,000 to assist in establishing new public transit systems.**

- During 2007-08, federal gas tax funding of $28.9 million was paid to 499 municipalities. As of March 31, 2008, 721 gas tax projects were approved in the following infrastructure categories: 232 roads and bridges; 188 water; 154 community energy; 72 wastewater; 65 solid waste; nine capacity building; and one public transit.

- The majority of the $0.51 million in federal funding for public transit is expected to be paid in 2008-09.

Negotiate agreements with the federal government for the distribution of new infrastructure funding announced in the 2007-08 federal budget (the Building Canada Fund and four-year extension of the federal Gas Tax Program) to address Saskatchewan's priority municipal infrastructure pressures and needs.

- Negotiations continue with the federal government for a Framework Agreement to address the $411 million in "guaranteed" federal funding under the Building Canada Plan through the Ministry of Intergovernmental Affairs. It is anticipated this Agreement will be signed early in 2008.

- Municipal Affairs will commence negotiations with the federal government on a bilateral agreement for the Communities Component once the Framework Agreement is finalized.

- Negotiations on the extension of the federal Gas Tax Program are expected to commence in the 2008-09 fiscal year.

Measurement Results

Number and per cent of municipalities whose financial reporting statements are compliant with the Public Sector Accounting Board (PSAB) standards and are filed on time

- 100 per cent of Saskatchewan municipalities are PSAB compliant.

Community Planning and Land Use

The branch provides tools and services to assist municipalities with planning and development. It also provides professional land-use planning advice and assistance to municipalities, government ministries and the public. This branch includes six distinct services:

- Adoption of new planning bylaws and certain bylaw amendments
- Review of subdivision applications
- Municipal requests related to annexations
- Formation of planning districts and regional plans for multiple municipalities
- Administration of dedicated lands used for parks, walkways, buffers and environmental reserves
- Amendments to legislation and regulations governing planning and development

Implement our provincial responsibilities regarding Duty to Consult with First Nations and Métis people, and work with the Ministries of First Nations and Métis Relations (FNMR) and Justice to inform municipalities of their responsibilities in this area.

- The ministry participated in two inter-ministry committees led by FNMR regarding provincial policy on Métis relations and fulfilling the Duty to Consult with Aboriginal people. This included a review of a funding program to assist First Nations in consulting with the province.
- The ministry initiated consultations in five locations in the province so that First Nations and Tribal Councils could discuss the intent and development of Statements of Provincial Interests under the new *Planning and Development Act, 2007*. A mail survey was conducted with First Nations and Métis locals requesting feedback on their needs in identified areas of provincial interest.
- Municipal Affairs collaborated with FNMR to present information to more than 250 rural and urban administrators on the Duty to Consult at six Planning and Development Act Workshops in the province prior to March 31, 2008.
- Municipal Affairs is fulfilling its responsibility under the Duty to Consult for *The Northern Municipalities Act* review.

Research and develop programs respecting community and inter-municipal planning and facilitate joint ventures relating to sustainable development that includes providing funding and in-kind resources for the Municipal Capacity Development Program.

- Response to the program continues to escalate.
- The program has:
  - responded to 180 requests regarding inter-jurisdictional workshops, orientation and facilitation meetings, sources of funding and examples of inter-jurisdictional working agreements;
  - sponsored 57 workshops for 300+ participating municipalities;
  - worked with 246 municipalities participating in partnerships;
  - worked with 15 First Nations;
  - signed six MOUs and is working to establish a planning district with one of the groups; and

- involved municipalities in gaining tools and capacity to deal with the unprecedented growth in their communities. Through ministry forums, municipalities have developed a better understanding of the benefits of regional service delivery and particularly in shared infrastructure and the need to work on areas such as regional waste management.

Deliver and enhance the training opportunities through the Municipal Leadership Development Program (MLDP) by working in partnership with municipal associations and providing in-kind and staff resources.

- The ministry delivered eight MLDP sessions that included two Module 1s and six Module 2s.
- The ministry made its MLDP modules more interactive so participants can improve understanding and skills.
- The ministry developed and delivered the first stage of an advanced Community Planning Module to administrators around the province between January and March of 2008. Once the second portion is complete, accreditation will be discussed with MLDP.
- The ministry continues to co-ordinate and support the Ministry-Municipal MLDP Advisory Committee.

Provide a planning framework to facilitate new subdivisions and assist municipalities in planning local services and infrastructure to support new development.

- The new *Planning and Development Act* now requires that official community plans be prepared in co-operation with a professional planner.
- Activity in this area is increasing. Municipal Affairs saw 11 zoning bylaw replacements and eight official community plans adopted to replace outdated municipal bylaws. The ministry reviewed 557 municipal bylaw amendments to ensure provincial interests were considered.
- The ministry observed significant growth in lot development during the last few years. Subdivision activity is the earliest indicator of new growth as it precedes actual development. The chart below shows the activity.

From April 1, 2007, to the end of March 31, 2008, Community Planning received 1,726 subdivision applications and approved 4,251 sites – 72 per cent increase in sites approved over the 2006-07 year (when 2,468 sites were approved). Compared with 2003-04, this is an increase of 2,522 sites or 145 per cent. The average number of sites from 2007-08, as compared with 2003-04, has also increased from 2.2 to 3.9 sites per application.

	2003-04	2004-05	2005-06	2006-07	2007-08
Applications Received	939	938	925	1,042	1,726
Applications Approved	786	834	828	843	1,089
New Sites Approved	1,729	1,805	2,216	2,468	4,251
Average Sites per Application Approved	2.2	2.2	2.7	2.9	3.9

Measurement Results

Number and per cent of municipalities with planning bylaws in place

2004-05	2005-06	2006-07	2007-08
456	475	475	477

- Approximately 60 per cent of municipalities have planning bylaws (477 municipalities of 791).

Number and per cent of municipalities that are involved in inter-jurisdictional planning initiatives (these results will establish the baseline as this initiative moves forward)

- Sixteen planning districts involving 34 municipalities and one regional park (or 4.3 per cent of municipalities) are participating in formal district arrangements.
- Five Memorandums of Understandings were signed by 66 municipalities (or 8.3 per cent of municipalities) to work towards inter-jurisdictional agreements with the possibility of establishing formal planning districts.

Number of training workshops for 2007-08 provided to municipalities by Municipal Affairs (these results will establish the baseline of workshops provided to municipalities)

- Municipal Leadership Development Program – 7 workshops on land use planning.
- Municipal Capacity Development Program – 57 workshops on inter-municipal collaboration and planning.
- Other training initiatives – 8 workshops on the new planning legislation.

Number and per cent of municipal waterworks with water rates that cover expenditures and debt payments

- By April 21, 2008, 40 per cent of the municipalities submitted a copy of their public information on the financial sustainability of their waterworks for 2006 to the ministry. Of these, 40 per cent indicated they had a waterworks rate policy and capital investment strategy in place.
- Of the municipalities that submitted public waterworks information to the ministry, 46 per cent reported waterworks revenues that covered the waterworks expenditures and debt payments.

Northern Municipal Services

The branch is responsible for administering the Northern Revenue Sharing Trust Account (NRSTA) and providing municipal management in the unorganized area of the Northern Saskatchewan Administration District (NSAD). The northern offices are located in La Ronge and Buffalo Narrows. The NSAD includes 11 northern settlements, 14 recreational subdivisions, and 8,000 northern dispositions.

The branch is responsible for operational and administrative functions, including land use planning within the NSAD. It also manages the grant programs which support northern communities and provides training and advisory services to 24 northern municipalities on operational and administrative matters.

Work with northern Saskatchewan municipalities and stakeholders to:

- **Review *The Northern Municipalities Act* (NMA) to modernize it and clarify roles and responsibilities;**
- **Develop opportunities for regional land use and governance in the Northern Saskatchewan Administration District to support northern economic development;**
- **Review the governance of the Northern Revenue Sharing Trust Account (NRSTA); and**
- **Review provincial funding to New North-SANC.**

- In partnership with New North, the review of the NMA completed the municipal consultation phase with a series of regional municipal workshops held across the north. The results of consultations to date were discussed with the review committee. The review is on schedule for a new Act to be submitted to the fall 2008 legislative session.

- The La Loche/Clearwater and La Ronge corridor planning committees both undertook work with government ministries to develop opportunities for regional land use and governance in the NSAD to support northern economic development. FNMR and Environment lead the project; seven meetings were held during the year.

- The review of the governance of the NRSTA was completed, and recommendations form part of the review of the NMA. The NRSTA Management Board provided further comments during the NMA consultation.

- A review of provincial funding to New North-SANC was completed. Additional funding of $320,000 was provided to New North to assist with operations and administration.

- A Northern Infrastructure Strategy Report was developed in consultation with the NRSTA Management Board. Further consultations with New North and northern municipalities are required. Further work on the projection of municipal needs may be required. The strategy will guide the funding decision of the NRSTA and inform federal-provincial infrastructure funding decisions.

To support sustainable infrastructure, safe drinking water and economic development in northern Saskatchewan; the ministry will:

- **Provide $6 million under the existing Northern Water and Sewer Program that includes $2.5 million of federal and provincial funding from the MRIF and the CSIP, and $3.5 million in provincial funding from the Northern Revenue Sharing Trust Account (NRSTA);**
- **Develop and implement Phase 2 of the Northern Water and Sewer Program which provides upgrades to infrastructure identified in the 2005 Water Needs Study;**
- **Provide $600,000 for emergency repair of water and sewer systems, as required to protect infrastructure investments;**
- **Develop a regional water and sewer operator program in northern Saskatchewan to improve the recruitment and retention of certified operators; and**
- **Review renewal of the Northern Capital Grants Program (NCGP) that expires at the end of 2007-08 which provides financial assistance for construction/acquisition of municipal capital for equipment/facilities.**

- Nineteen Phase 1 and two Phase 2 northern projects were funded for $5.3 million.

- One Phase 2 project was completed at $3.2 million with four others in construction.

- The NCGP will be renewed for another five years at $6 million plus the remaining eligibility from the 2003-2008 program. The program guidelines are being developed and consultations will be undertaken.

- Ten projects in nine communities worth $424,000 were undertaken in Dore Lake, Ile-a-la Crosse, Brabant Lake, Michel Village, Green Lake, Patuanak, Jans Bay, Cumberland House, and Stoney Rapids.

- Discussions with northern communities will continue in 2008-09 to develop a regional water and sewer operator program.

- The renewal of the NCGP will be reviewed as part of the Northern Infrastructure Strategy (NIS), which is currently under development.

Develop a northern municipal administrators' training program in co-operation with Northlands College, Northern Revenue Sharing Trust Account (NRSTA), and Northern Affairs Northern Development Board.

- Funding for the program was approved by Western Development (WD) and NRSTA. Program details are being worked out with Northlands College and the University of Regina. The program is to begin in September 2008.

2007-08 Financial Overview

The financial results below reflect the Ministry of Municipal Affairs' portion of the former Department of Government Relations, as well as administrative costs associated with the Ministry of Intergovernmental Affairs and the Office of the Provincial Secretary components of the former Department of Government Relations. A complete report of the financial results of the entire former Department of Government Relations can be referenced in conjunction with the information contained in the 2007-08 Annual Reports of the new Ministry of Intergovernmental Affairs, the Office of the Provincial Secretary, and the Ministry of Highways and Infrastructure.

Expenditures

The following table summarizes budgeted versus actual expenditures by subvote and subprogram. Variance explanations are provided for all variances that are greater than 5 per cent and $100,000.

in thousands of dollars

Subvote/Subprogram	Original Estimates	Actual Expenditures	Variance Over/ (Under)	
Central Management and Services	**$ 5,329**	**$ 5,332**	**$ 3**	
Municipal Financial Assistance	**$ 187,367**	**$ 172,802**	**$ (14,565)**	
Urban Revenue Sharing	67,447	67,381	(66)	
Rural Revenue Sharing	44,631	45,492	861	1
Northern Revenue Sharing	10,181	9,551	(630)	2
Rural Municipal Primary Weight Corridors	5,000	4,214	(786)	3
Transit Assistance for the Disabled	2,650	2,650	0	
Grants-in-Lieu of Property Taxes	11,500	11,033	(467)	
SAMA (Statutory)	4,000	5,341	1,341	4
SAMA (Supplementary)	2,661	1,320	(1,341)	4
Municipal Rural Infrastructure Fund – Phase I	21,715	25,292	3,577	5
Municipal Rural Infrastructure Fund – Phase II	16,000	0	(16,000)	5
Urban Development Agreements	1,582	528	(1,054)	6
Municipal Relations	**$ 6,392**	**$ 6,402**	**$ 10**	
New Deal for Cities and Communities	**$ 33,321**	**$ 29,223**	**$ (4,098)**	
New Deal for Cities and Communities	32,811	29,169	(3,642)	7
Public Transit Program	510	54	(456)	8
Saskatchewan Municipal Board	**$ 1,201**	**$ 1,114**	**$ (87)**	
Administration – Local Government Committee	828	842	14	
Planning Appeals Committee	97	88	(9)	
Assessment Appeals Committee	276	184	(92)	
Total Appropriation and Expenditures	**$ 233,610**	**$ 214,873**	**$ (18,737)**	
Capital Assets				
Capital Asset Acquisitions	0	0	0	
Capital Asset Amortization	0	1	1	
Other*	0	(3)	(3)	
Total Appropriation and Expenses	**$ 233,610**	**$ 214,871**	**$ (18,739)**	

* Includes the change in prepaid expenses, gains and losses on disposal of capital assets and write-downs of capital assets.

Explanations of Major Variances

1 Over-expenditure primarily related to one-time supplementary unconditional revenue sharing funding.

2 Elimination of the Northern Revenue Sharing Trust Account administration fee.

3 Fewer than anticipated rural road designations as primary weight corridors, due to time constraints, environmental concerns and regional issues.

4 Payments made in accordance with amendments to *The Assessment Management Agency Act* and its regulations, which came into effect in June 2007 resulting in a corresponding variance between the two SAMA subprograms.

5 The overall under-expenditure between the combined Phase 1 and 2 of this program resulted from the configuration of the program, delays in project starts or completions due to unfavourable weather conditions, and delays in signing agreements and availability of contractors.

6 Delays in completion of projects.

7 Under-expenditure due primarily to fewer than anticipated infrastructure investment plans submitted by municipalities.

8 Delays in submission of municipal information required to process payments.

Revenues

The ministry's major revenue relates to agreements with the federal government. All revenue collected is deposited in the General Revenue Fund. A summary of the ministry's 2007-08 budgeted revenue compared to actual revenue is presented below. Variance explanations are provided for all variances that are greater than $100,000.

in thousands of dollars

Revenue Category	Budget	Actual Revenue	Variance Over/ (Under)	
Other Licenses and Permits	**$ 270**	**$ 813**	**$ 543**	
Subdivision Fees	270	813	543	1
Other Revenues	**$ 5**	**$ 1,025**	**$ 1,020**	
Refunds – Previous Years' Expenditures	5	1,025	1,020	2
Sales, Service, Service Fees	**$ 226**	**$ 18**	**$ (208)**	
Management Fees	200	0	(200)	3
Debenture Authorization	25	16	(9)	
Miscellaneous Services	1	1	0	
Other Service Fees	0	1	1	
Transfers from the Federal Government	**$ 42,697**	**$ 36,715**	**$ (5,982)**	
Municipal Rural Infrastructure Fund	18,858	12,876	(5,982)	4
Employability Assistance	201	201	0	
New Deals for Cities and Communities	23,638	23,638	0	
Total Revenue	**$ 43,198**	**$ 38,571**	**$ (4,627)**	

Explanations of Major Variances

1 Increase in the demand for multi-lot development required additional subdivision approvals.

2 Accounting adjustments were required as a result of amendments to *The Assessment Management Agency Act* (AMAA).

3 Elimination of the Northern Revenue Sharing Trust Account administration fee.

4 Decrease as a result of this program being reconfigured as well as delays in project starts or completions due to unfavorable weather conditions, and delays in signing agreements and availability of contractors.

Financial Accountability Statement

Municipal Affairs ensures:

- public accountability for government finances entrusted to the ministry;
- fiscally responsible management of its resources and financial affairs;
- compliance with existing legislation and regulations;
- systems and controls are in place to safeguard public assets; and
- appropriate results are reported to the public and the legislature.

There are a number of external controls in place to monitor these responsibilities. They include:

Audited Results – The Provincial Auditor's Office has legislative responsibility to audit Municipal Affairs. Audit conclusions are published in a report to the Legislative Assembly of Saskatchewan. If a deficiency is reported by the Provincial Auditor, the ministry may be called to appear before the Public Accounts Committee of the Legislature.

Accountable to Legislature – Municipal Affairs' annual budget is detailed in the Saskatchewan Provincial Budget Estimates. The ministry is called to appear before a Legislative Committee to defend its budget estimates.

Public Reporting – Expense and revenue details as they pertain to Municipal Affairs are published in the ministry's Annual Report, and the Public Accounts Volumes 1 and 2.

For More Information

Additional information about the Ministry of Municipal Affairs is available at: **www.municipal.gov.sk.ca**. The web site includes general and detailed information about the ministry, its key programs, special studies and legislation for which the ministry is responsible.

For more information about Municipal Affairs, or to provide feedback about our 2007-08 Annual Report or performance results, please contact us at:

Phone: (306) 787-2635
E-mail: muninfo@gov.sk.ca

Mailing address:
Ministry of Municipal Affairs
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Regina, SK
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Appendices

Publications released by our ministry during the year, which are available at our web site: **www.municipal.gov.sk.ca/publications/**

- General Guides and Manuals
- Community Planning Publications
- Municipal Information Bulletins
- Municipalities Today Newsletter
- Reports, Articles and Studies

Acts and Regulations which are the responsibility of the Minister of Municipal Affairs:

- *The Assessment Appraisers Act*
- *The Assessment Management Agency Act*
- *The Border Areas Act*
- *The Cities Act*
- *The Community Planning Profession Act*
- *The Controverted Municipal Elections Act*
- *The Cutknife Reference Act*
- *The Department of Rural Development Act (subject to OC 177/93)*
- *The Flin-Flon Extension of Boundaries Act, 1952*
- *The City of Lloydminster Act*
- *The Local Government Election Act*
- *The Local Improvement Act, 1993*
- *The Municipalities Act*
- *The Municipal Board Act*
- *The Municipal Debenture Repayment Act*
- *The Municipal Development & Loan (Saskatchewan) Act*
- *The Municipal Expropriation Act*
- *The Municipal Industrial Development Corporations Act*
- *The Municipal Reference Act*
- *The Municipal Revenue Sharing Act*
- *The Municipal Tax Sharing (Potash) Act*
- *The Municipality Improvements Assistance (Sask) Act*
- *The Northern Municipalities Act*
- *The Planning and Development Act, 2007*
- *The Rural Municipal Administrators Act*
- *The Subdivisions Act*
- *The Tax Enforcement Act*
- *The Time Act*
- *The Urban Municipal Administrators Act*